ESTIMATED REVENUE EFFECTS OF H.R. 4297, THE "TAX RELIEF EXTENSION RECONCILIATION ACT OF 2005," AS REPORTED BY THE COMMITTEE ON WAYS AND MEANS

Fiscal Years 2006 - 2015

[Millions of Dollars]

Provision	Effective	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
I. Extension and Modification of Certain Provisions													
Through 2006													
 Treatment of nonrefundable personal credits 													
under the individual alternative minimum tax													
(sunset 12/31/06) [1]	tyba 12/31/05	-565	-2,260									-2,825	-2,825
Tax incentives for business activities on Indian													
reservations:													
a. Indian employment tax credit (sunset 12/31/06)	tyba 12/31/05	-21	-29	-11	-1							-62	-62
 b. Accelerated depreciation for business property 													
on Indian reservations (sunset 12/31/06)	ppisa 12/31/05	-161	-280	-104	23	77	120	98	52	6	-10	-445	-179
Extend and modify the work opportunity tax credit													
(sunset 12/31/06)	wpoifibwa 12/31/05	-125	-193	-87	-38	-23	-13	-2				-466	-480
4. Welfare-to-work tax credit (sunset 12/31/06)	wpoifibwa 12/31/05	-12	-27	-24	-12	-6	-3	-1	[2]			-80	-85
Enhanced deduction for qualified computer													
contributions (sunset 12/31/06)	cmd tyba 12/31/05	-66	-55									-121	-121
Availability of Archer medical savings accounts													
(sunset 12/31/06)	DOE -					Neg	gligible Re	venue Effe	ct				
7. 15-year straight-line cost recovery for qualified													
leasehold improvements (sunset 12/31/06)	ppisa 12/31/05	-46	-138	-181	-177	-171	-155	-146	-155	-152	-150	-714	-1,472
8. 15-year straight-line cost recovery for qualified													
restaurant improvements (sunset 12/31/06)	ppisa 12/31/05	-22	-56	-68	-68	-68	-67	-67	-65	-63	-57	-283	-601
Suspension of 100 percent-of-net-income limitation													
on percentage depletion for oil and gas from													
marginal wells (sunset 12/31/06)	tyba 12/31/05	-46	-25									-70	-70
10. Tax incentives for investment in the District of													
Columbia (sunset 12/31/06) [3]	tyba 12/31/05	-58	-30	-2	-1	-4	-13	-46	-23	-21	-23	-95	-221
11. Possession tax credit with respect to													
American Samoa (sunset tyba 12/31/06)	tyba 12/31/05	-2	-8									-10	-10
12. Parity in the application of certain limits to mental													
health benefits (sunset 12/31/06) [4]	DOE	-3	-45	-10								-58	-58
13. Extend and modify the research credit	apoia 12/31/05 &												
(sunset 12/31/06)	tyea DOE	-3,330	-3,219	-1,480	-1,097	-740	-192					-9,866	-10,057
14. Qualified zone academy bonds (sunset 12/31/06)	bia 12/31/05	-3	-7	-14	-19	-20	-20	-20	-20	-20	-20	-62	-162
15. Above-the-line deduction for teacher classroom													
expenses capped at \$250 annually													
(sunset 12/31/06)	epoi tyba 12/31/05	-60	-139									-199	-199
16. Deduction for qualified tuition and related expenses	•												
(sunset 12/31/06)	pmi tyba 12/31/05	-420	-1,260									-1,680	-1,680
17. Deduction of State and local general sales taxes	•												
(sunset 12/31/06)	tyba 12/31/05	-525	-1,574									-2,099	-2,099
Total of Extension and Modification of Certain													
Provisions Through 2006		-5,465	-9,345	-1.981	-1.390	-955	-343	-184	-211	-250	-260	-19,135	-20,381
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Provision	Effective	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
II. Extensions of Certain Provisions for Two													
Additional Years, and Other Modifications													
Extend and expand to petroleum products the													
expensing of "Brownfields" environmental	:- 40/04/05	040	075	400	47	5 4	50	40	4.4	20	20	005	400
remediation costs (sunset 12/31/07)	epoia 12/31/05	-219	-375	-130	47	54	56	49	44	38	32	-625	-406
2. Controlled foreign corporations:													
a. Exception under subpart F for active financing	[6]		775	2 220	4 600							4.700	4 700
income (sunset 12/31/08)b. Look-through treatment of payments between	[5]		-775	-2,339	-1,682							-4,796	-4,796
related CFCs under foreign personal holding													
company income rules (sunset 12/31/08)	[6]	-82	-237	-260	-167							-746	-746
3. Tax capital gains and dividends with a 15%/0%	[0]	-02	-231	-200	-107							-740	-740
rate structure:													
a. Capital gains (sunset 12/31/10)	tyba 12/31/08			-1,549	-8,375	2,672	-54	-12,698	[2]	[2]		-7,252	-20.004
b. Dividends (sunset 12/31/10)	tyba 12/31/08			-860	-4,431	-8,008	-9,368	-6,326	-1,224	-450	-112	-13,299	-30,779
Credit for elective deferrals and IRA contributions	1954 1275 1766			000	1, 101	0,000	0,000	0,020	1,221	100		10,200	00,770
(sunset 12/31/08)	tyba 12/31/06		-481	-1,428	-903	-10	-11	-11	-11	-10	-10	-2,823	-2,875
5. Increase section 179 expensing from \$25,000 to	1954 12/01/00		101	1,120	000	10			• • • • • • • • • • • • • • • • • • • •	10		2,020	2,070
\$100,000 and increase the phaseout threshold													
amount from \$200,000 to \$400,000; include													
software in section 179 property; and extend													
indexing of both the deduction limit and the													
phaseout threshold (sunset 12/31/09)	tyba 12/31/07			-2,605	-4,459	-209	2,707	1,772	1,222	826	476	-7,274	-271
Total of Extensions of Certain Provisions for Two													
Additional Years, and Other Modifications		-301	-1,868	-9,171	-19,970	-5,501	-6,670	-17,214	31	404	386	-36,815	-59,877
III. Other Provisions													
Taxation of certain settlement funds													
(sunset 12/31/10)	aafca DOE	-3	-9	-10	-11	-12	-13	-14	-15	-15	-15	-45	-117
Modify rules for distributions of controlled													
corporations (sunset 12/31/10)	generally da DOE	-1	-7	-8	-8	-9	-9	-5	-3	-1		-33	-51
Expand the qualified veterans' mortgage bond													
program (sunset 12/31/10)	bia 12/31/05	[2]	-1	-2	-4	-7	-8	-9	-9	-9	-9	-14	-58
 Provide capital gains treatment for certain 													
self-created musical works (sunset 12/31/10)	soei tyba DOE	-1	-4	-5	-5	-4	-2	-4				-19	-25
Expand the eligibility for the tonnage tax election													
(minimum of 6,000 deadweight tons) (sunset													
taxable years ending before 1/1/11)	tyba 12/31/05	-2	-3	-4	-4	-4	-3					-17	-20
Modification of certain arbitrage rules for certain													
funds (include 20% State limitation)													
(sunset 8/31/09)	bia DOE			-1	-2	-1	[2]	[2]				-4	-5
Total of Other Provisions		-7	-24	-30	-34	-37	-35	-32	-27	-25	-24	-132	-276
													1
NET TOTAL		-5,773	-11,237	-11,182	-21,394	-6,493	-7,048	-17,430	-207	129	102	-56,082	-80,534

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be December 1, 2005.

Legend and Footnotes for JCX-81-05:

Legend for "Effective" column:

aafca = accounts and fund created after apoia = amounts paid or incurred after bia = bonds issued after cmd = contributions made during da = distributions after epoi = expenses paid or incurred in epoia = expenses paid or incurred after DOE = date of enactment pmi = payments made in ppisa = property placed in service after soei = sales or exchanges in tyba = taxable years beginning after wpoifibwa = wages paid or incurred for individuals beginning work after

- [1] The "Economic Growth and Tax Relief Reconciliation Act of 2001" provides that the child tax credit and adoption tax credit are allowed for purposes of the alternative minimum tax for 2002 through 2010.
- [2] Loss of less than \$500,000.
- [3] The extension of tax-exempt financing is effective for bonds issued after the date of enactment.
- [4] This provision will have a negligible effect on penalty excise tax receipts. However it will have an indirect effect on income tax receipts through increases in employer-contributions for health insurance and corresponding decreases in cash wages. The table shows this indirect revenue effect, which was estimated by the Congressional Budget Office.
- [5] Effective for taxable years of foreign corporations beginning after December 31, 2006, and before January 1, 2009, and to taxable years of U.S. shareholders with or within which such taxable years of such foreign corporations end.
- [6] Effective for taxable years of foreign corporations beginning after December 31, 2005, and before January 1, 2009, and to taxable years of U.S. shareholders with or within which such taxable years of such foreign corporations end.